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Before the

FEDERAL COMMUNICATIONS COMMISSION

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Washington, D.C. 20554

In the Matter of)
)
Implementation of Section 17)
of the Cable Television)
Consumer Protection and)
Competition Act of 1992)
)
Cable Systems and Consumer)
Electronics Equipment)

ET Docket No. 93-7 /

To The Commission:

Reply Comments of Consumer Federation of America

Bradley Stillman
Legislative Counsel

Attorney for the

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I. Introduction

The Consumer Federation of America ("CFA")¹, hereby submits its reply comments in response to the Notice of Inquiry ("Notice"), FCC 93-30, released by the Federal Communications Commission on January 29, 1993, in the above referenced proceeding. CFA and its members played an active role in promoting passage of "the Cable Television Consumer Protection and Competition Act of 1992" ("the 1992 Cable Act"), and have a direct interest in the outcome of this proceeding.

The primary responsibility given to the Commission by Congress in §624A was to prepare a report to Congress and form a record to help establish regulations assuring compatibility between cable systems and consumers televisions and VCRs. The Commission is also instructed to consider the interest in preventing signal theft when promulgating these regulations.²

To achieve these goals, CFA believes the Commission should approach compatibility problems in two steps. First, the Commission must implement a system to permit maximum use of functions and features of electronic equipment used to receive and

¹CFA is a federation of 240 pro-consumer organizations with some 50 million individual members. Since 1968, it has sought to represent the consumer interest before federal and state policymaking and regulatory bodies.

²Publ.L. No 102-385, 106 stat. 1460, 1491 (1992).

record cable programming that is already in consumers' homes, require standardized detailed notice requirements at the point of purchase and from the local cable company regarding what is meant in the industry by "cable ready" and "cable compatible" and set national standards for cable operators to adhere to when protecting their signals from theft. Second, the Commission must create national minimum standards of compatibility for both the cable and the electronic equipment industries to be implemented as soon as possible for all new equipment and existing cable systems.

II. Regulating Equipment Already In Use

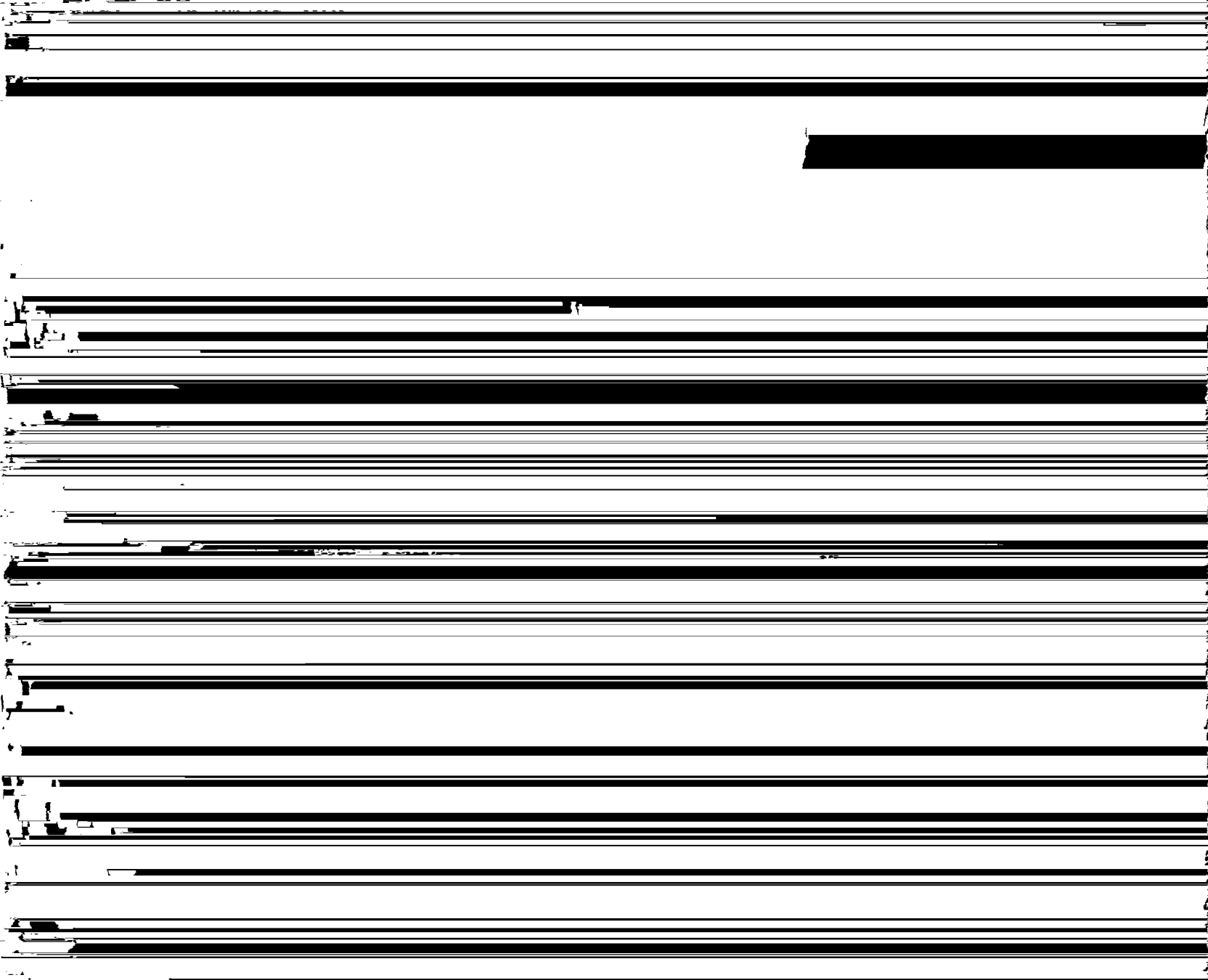
A. Preserving Maximum Functionality of Consumer Electronic Equipment Currently in Place

Permitting consumers to take full advantage of all the functions and features available on their electronic equipment was a major concern of Congress in implementing the 1992 Cable Act.³ The cable industry, by and large, seems to believe the appropriate way to reach this goal is to put the burden exclusively on consumers and the electronic equipment manufacturers.⁴

³See e.g.; §624A(c)(1) ("In prescribing the regulations required by this section, the Commission shall consider...[requirements that] minimize interference with or nullification of the special functions of subscribers' television receivers or video cassette recorders...")

⁴Actually, it has been the equipment manufacturers who have traditionally been able to come together to decide upon standards to permit interoperability between various brands of consumer

The cable industry would like the Commission to require consumers who have already purchased electronic equipment with functions that are disabled by the design of cable systems to live with the problem, buy new equipment that might avoid some of the problems once standards are agreed to by the industry or connect a dizzying array of converter boxes and A/B switches to attempt to permit consumers to use the features they have already paid for.⁵



ability to scramble their signal.⁹ They maintain that signal security always outweighs the desire to use the functions and features found on consumers' electronic equipment. This is not what Congress mandated. The 1992 Cable Act calls for a balancing of these interests, not a sacrifice on the part of the consumer.

The Commission is also directed to do a cost-benefit analysis in determining an appropriate means to protect signals and maximize electronic equipment features.¹⁰ CFA urges the Commission to consider the expenses already incurred by consumers in purchasing their electronic equipment as well as the future cost to consumers, the cable industry and the electronic equipment manufacturers.

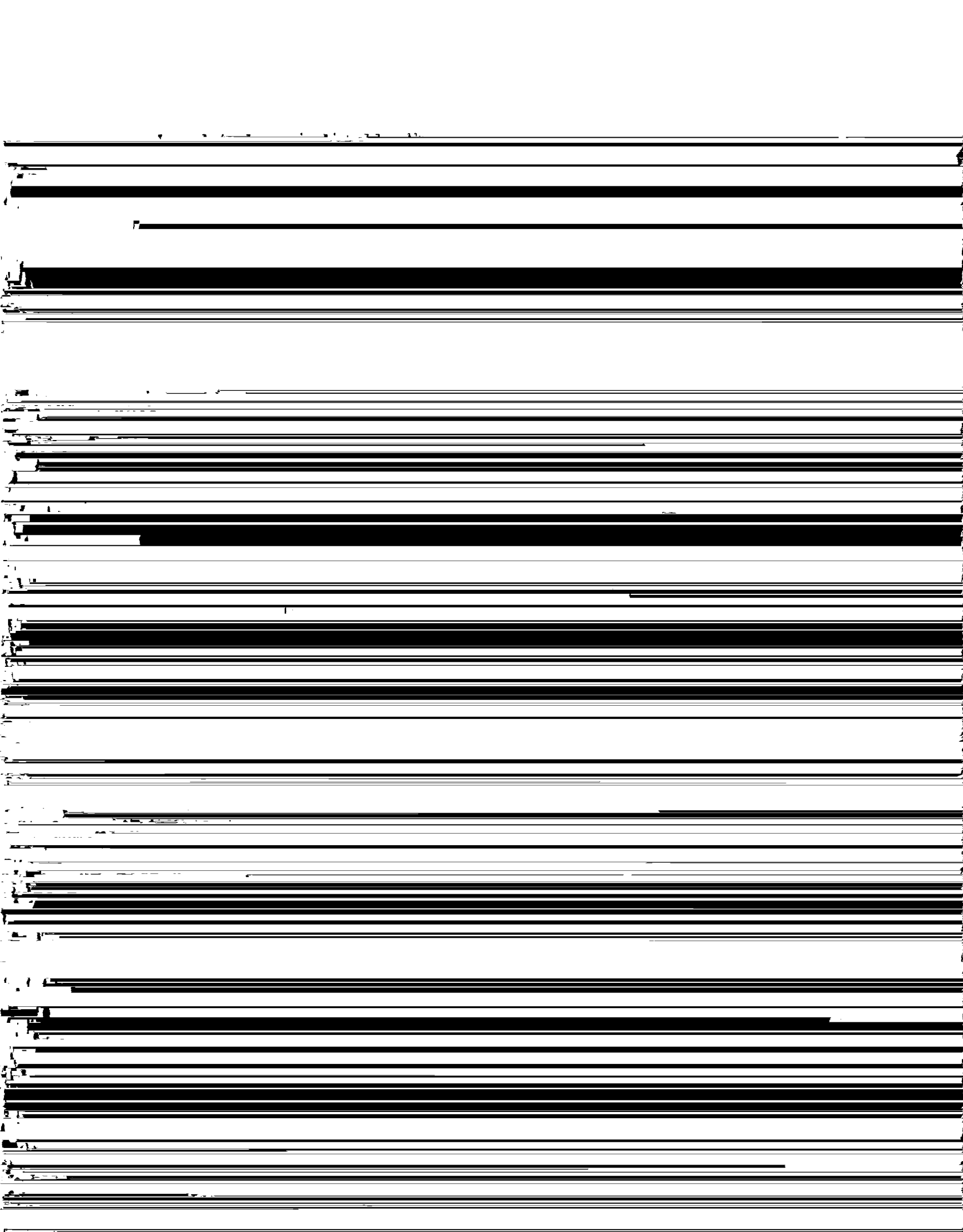
III. Regulating New Equipment and Existing Cable Systems

A. National Minimum Compatibility Standards for New Equipment

CFA believes that the Commission, along with the cable television industry and the electronic equipment manufacturers, must create national minimum compatibility standards for new electronic equipment and for new and existing cable systems. Any standards should allow for more advanced equipment to be used without disabling older models. These standards should be reviewed

⁹See e.g.; Comments of Time Warner Entertainment Company, L.P. at 11.

¹⁰§624A(c)(1).



standard for "cable ready" and "cable compatible" claims in association with minimum national standards for signal theft protection and future electronic equipment and cable system upgrades. The goal of the Commission should be to create standards that allow consumers to simply purchase a piece of equipment, take it home, plug it in and have it work properly.

At minimum, if the Commission should decide to phase in these national standards¹², it should also require cable systems to provide electronic equipment manufacturers and consumers with information permitting manufacturers to determine if their equipment is indeed compatible with a particular cable system that has not yet conformed to the national standard. This information must also be provided to retailers and updated continuously. If the equipment will not be fully compatible, information about which features or functions that are disarmed must be clearly spelled out and made available to consumers by the cable operator.

¹²CFA advocates having the Commission require all cable systems to meet the national standards, as soon as possible, at the same time across the country. This will help minimize expense to cable systems, equipment manufacturers and retailers as well as consumers. It will also go a long way toward reducing consumer confusion.

IV. Conclusion

WHEREFORE, CFA urges the Commission to adopt standards and regulations that will enable consumers to use all features currently available on their electronic equipment, give adequate notice to consumers of limitations a cable system may cause their

